

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Priority Mail, First-Class Package Service
& Parcel Select Contracts
Priority Mail, First-Class Package Service
& Parcel Select Contract 5

Docket No. MC2023-105

Competitive Product Prices
Priority Mail, First-Class Package Service
& Parcel Select Contract 5 (MC2023-105)
Negotiated Service Agreements

Docket No. CP2023-106

CHAIRMAN'S INFORMATION REQUEST NO. 2

(Issued May 8, 2023)

To clarify the Postal Service's first quarterly report for Priority Mail, First-Class Package Service & Parcel Select Contract 5, filed May 1, 2023,¹ the Postal Service is requested to provide a written response to the following question. The response should be provided as soon as it is developed, but no later than June 1, 2023.

In Order No. 6437, the Commission conditionally approved Priority Mail, First-Class Package Service & Parcel Select Contract 5 with the requirement that the Postal Service to report, on a quarterly basis, the following:²

- Contract-specific volumes, costs, and workhours
- Copies of all Memorandums of Understanding pursuant to contract paragraph 6.18
- Total payments made for loss or damage under sections 9 through 12 and paragraph 22.1 of the contract; a breakdown of such payments across

¹ USPS First Quarterly Report, in Response to Order No. 6437, Filed Under Seal, May 1, 2023, (First Quarterly Report).

² Order Conditionally Adding Priority Mail, First-Class Package Service & Parcel Select Contract 5 to the Competitive Product List, February 6, 2023, at 6-7 (Order No. 6437).

Priority Mail, First-Class Package Service & Parcel Select; an analysis estimating the Postal Service's liability for as-yet unpaid and unfiled claims on shipped volume, accounting for the length of the claim period specified in paragraph 22.1; and an analysis comparing the sum of actual payments-per-piece and estimated liability-per-piece for as-yet unpaid and unfiled claims under this contract (indemnity costs) to the corresponding average indemnity costs included in the unit costs reported in the financial workpapers for Priority Mail, First-Class Package Service & Parcel Select, respectively

- The amount of any payments made for loss or damage in excess of the normal limits on such payments specified in the Domestic Mail Manual, per contract paragraph 10.3
- The total amount of payments made for personal injury, property damage, or indemnification under contract paragraph 9.6; an estimate of liability for future such payments stemming from all such incidents to date; and an analysis of the amount by which the sum of those payments and liabilities exceeds the liability that would have been incurred in the absence of paragraph 9.6
- The total amount of Postal Service losses incurred for equipment damage during the performance of this contract that could otherwise have been recoverable from the contract partner in the absence of contract paragraph 9.7
- Any activation of contract paragraphs 16.3, 19, or 21.2; and analysis of the resulting incurred and projected administrative and legal costs

Please file a revised report including all of the information required by Order No. 6437. Please also file a description of where in the revised report each item on the list above is reported. If there are no values to report for any of the required information, please clearly state so in the revised report.

By the Chairman.

Michael Kubayanda